
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
CONCERNING
THE PROGRAM OF THE PEACE CORPS IN INDONESIA

The Government of the United States of America (hereinafter referred to as "the United States") and the Government of the Republic of Indonesia (hereinafter referred to as "Indonesia") (hereinafter collectively referred to as the "Parties");

Acknowledging that the two countries share fundamental ideals of freedom, democracy, and a pluralistic as well as tolerant society;

Recognizing the importance of developing mutually advantageous relationship and cooperation between their countries generally and through the spirit of the Joint Declaration on Comprehensive Partnership between Indonesia and the United States (hereinafter referred to as the "Comprehensive Partnership"), and the range of exchange programs that may be available under such framework;

Desiring to enhance mutual understanding between the two countries through people-to-people contact on the basis of equality, mutual respect and mutual benefit, in light of the Peace Corps' statutory purpose, which is to send American volunteers to help the people of interested countries in meeting their need for trained men and women; and thereby to help promote a better understanding of Americans on the part of the peoples served; and to help promote a better understanding of other peoples on the part of Americans; and

Pursuant to the prevailing laws and regulations of the respective Parties, have agreed as follows:

ARTICLE I
OBJECTIVE

The objective of this Memorandum of Understanding "MoU" is to establish the legal framework for Peace Corps technical cooperation programs and activities in Indonesia, in order to promote mutual understanding and empower Indonesian communities.

ARTICLE II DEFINITIONS

For the purposes of this MoU:

1. Peace Corps means the United States government agency authorized to carry out the purposes set forth in the Preamble of this MoU.
2. Peace Corps Representative and staff means the United States government employees who are issued official passports, residing in Indonesia, with overall responsibility for the Peace Corps technical cooperation programs and activities in Indonesia.
3. Peace Corps Volunteers (hereinafter referred to as the "Volunteers") means United States citizens recruited, selected, trained, and assigned by the Peace Corps to implement Peace Corps technical cooperation programs and activities in Indonesia.
4. Contractor means a person hired on a periodic basis by Peace Corps to perform services for the Peace Corps technical cooperation programs and activities in Indonesia. Contractors other than U.S. and Indonesian citizens shall require prior approval from Indonesia.
5. Family Members shall be as defined in accordance with relevant Indonesian laws and regulations.

ARTICLE III RESPONSIBILITIES OF THE PARTIES

1. The United States shall furnish such Peace Corps Volunteers as may be required by Indonesia and approved by the United States to perform mutually agreed tasks in Indonesia.
2. The United States shall provide training to enable the Volunteers to perform their tasks in the most effective manner.
3. The United States shall provide the Volunteers, the Peace Corps Representative, and staff of the Representative with such limited quantities of equipment and supplies as the Parties may consider necessary to enable the Volunteers to perform their tasks effectively.
4. The United States intends to take steps through the Comprehensive Partnership to assist Indonesians to get further training and experience in the United States in line with efforts to strengthen educational initiatives, people to people contact and cultural exchanges.
5. Indonesia shall bear such share of the costs of the Peace Corps technical cooperation programs and activities incurred in Indonesia as the Parties may agree in writing in the

implementing arrangements of programs, prior to the commencement of such programs.

6. Tax and customs duties exemption for the Peace Corps Representative and staff employed in Indonesia under this MoU shall be granted in accordance with the prevailing tax and customs laws, regulations, and policies of the Republic of Indonesia. With respect to Volunteers and U.S. contractors, income paid to them by the United States in respect of services rendered to the United States under this MoU shall be exempted from taxation by Indonesia in accordance with the Convention Between the Government of the Republic of Indonesia and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Jakarta July 11, 1988, and its amending Protocol, signed at Jakarta July 24, 1996.
7. Indonesia shall extend to the Peace Corps Representative, staff, volunteers as well as U.S. and third country contractors engaged with Peace Corps technical cooperation programs and activities under this MoU, and their family members, appropriate visa, exit re-entry permit, and stay permits to cover their terms of service in accordance with the prevailing laws and regulations, as well as procedures and policy of the Republic of Indonesia.
8. Indonesia shall accord equitable treatment to the Volunteers and U.S. contractors with the Peace Corps and their family members and property which shall be no less favorable than that accorded generally to nationals of the United States residing in Indonesia and shall inform and cooperate with representatives of the United States with respect to all matters concerning them consistent with the Vienna Convention on Consular Relations, done at Vienna April 24, 1963.

ARTICLE IV USE OF FUNDS

Peace Corps, a United States government agency, shall use its funds solely for the purpose of implementing its technical cooperation programs and activities in Indonesia consistent with the laws and regulations of the Republic of Indonesia.

ARTICLE V IMPLEMENTATION AND SUPERVISION

1. The Parties agree to establish a joint steering committee consisting of representatives of appropriate government institutions, to define the policy guidelines, to endorse and to supervise the Peace Corps technical cooperation programs and activities in Indonesia.

2. The joint steering committee shall establish working groups to assist the steering committee in supervising and reviewing the implementation of the Peace Corps technical cooperation programs and activities in Indonesia.
3. The joint steering committee shall meet at least once a year.
4. The Volunteers shall work under the supervision of government institutions in Indonesia designated by the Parties.

ARTICLE VI MECHANISM FOR COOPERATION

1. Details on programs and activities of Peace Corps in Indonesia shall be defined in an Implementing Arrangement to be agreed by the Parties, which shall be subject to and be in conformity with the MoU.
2. Such Implementing Arrangement should specify, inter alia, the objective, program of cooperation, the function of working group, financial arrangement and other details relating to specific undertaking of all participants involved.
3. The undertakings of each party herein shall be subject to the availability of funds.

ARTICLE VII CODE OF CONDUCT

1. All persons engaged in activities under this MoU shall respect the laws, regulations, policies, customs, traditions, and religions of Indonesia, and shall avoid any activities inconsistent with the objective of this MoU.
2. Any violation of paragraph 1 of this Article may result in the revocation of all permits of the concerned person and other measures in accordance with the prevailing laws and regulations of Indonesia.

ARTICLE VIII SETTLEMENT OF DISPUTES

Any dispute arising out of this MoU shall be settled amicably through consultation and/or negotiations between the Parties.

**ARTICLE IX
AMENDMENT**

This MoU may be amended from time to time by mutual written consent of the Parties. Any such amendment shall be in writing, and shall enter into force on such date as may be determined by the Parties. Such amendments shall be treated as an integral part of this MoU.

**ARTICLE X
ENTRY INTO FORCE, DURATION, AND TERMINATION**

1. This MoU creates a legally binding obligation upon the Parties under international law and shall enter into force on the date of signature and remain in force for a period of 3 (three) years, and shall automatically renew for successive periods of 3 (three) years, unless terminated by either Party upon written notification to the other 90 (ninety) days in advance.
2. The termination of this MoU shall not affect the validity, duration, and completion of any ongoing projects and activities made under this MoU, unless the Parties decide otherwise.
3. Upon the entry into force of this MoU, the Agreement Relating to the Establishment of Peace Corps Program in Indonesia, entered into force on March 14, 1963, by Exchange of Notes between the Government of Indonesia and the Government of the United States of America, shall cease to be in force.

IN WITNESS WHEREOF, the undersigned being duly authorized thereto by their respective Governments, have signed this MoU:

DONE at *Jakarta* on *December 11, 2004*, in duplicate, in the English and Indonesian languages, each text being equally authentic.

**FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:**



**FOR THE GOVERNMENT OF THE
REPUBLIC OF INDONESIA:**

